



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF OIL AND GAS

550 W. 7th Avenue Suite 1100
Anchorage, Alaska 99501-3560
Main: 907.269.8800
Fax: 907.269.8939

March 19, 2021

Keegan Fleming
Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Drive
Suite 1400
Anchorage, AK 99503

RE: LOCI 21-001, Hilcorp Alaska, LLC, Whiskey Gulch Pad, Exploration Phase

Dear Mr. Fleming,

I. INTRODUCTION

On January 6, 2021, Hilcorp Alaska, LLC (Hilcorp) submitted a request to the Division of Oil and Gas (Division) for approval of a Lease Plan of Operations (Plan) to construct a new exploration pad and drill two wells. The proposed Whiskey Gulch Pad is located east of the Sterling Highway approximately 2.5 miles north of the Anchor Point post office. Approval of this Plan, along with approvals from other state and federal agencies (Agencies), is necessary for Hilcorp to carry out the exploration phase of the Whiskey Gulch project. Any further development is subject to further review and approval by the Department of Natural Resources (DNR).

II. SCOPE OF DECISION

The DNR Commissioner has delegated authority for approval of Lease Plan of Operations activities to the Division under Department Order 003 in accordance with Alaska Statute (AS) 38.05 and 11 Alaska Administrative Code (AAC) 83.158. As set forth below, the Division has evaluated the proposed Plan to determine if it provides sufficient information as required by 11 AAC 83.158. In approving a Plan, the Division may require amendments that it determines are necessary to protect the State's interests (11 AAC 83.158(e)).

Hilcorp is requesting authorization to begin the exploration phase of the Whiskey Gulch project for ADL 392665 and ADL 392666. This will include the construction of a new 2.75-acre gravel exploration pad and drilling two new exploration wells.

The following Plan elements require authorization from other agencies:

Agency	Permit Type
Alaska Department of Conservation (ADEC)	Oil Discharge Prevention and Contingency Plan Approval, Minor General Permit, MG1 Air Quality Control Permit for Oil and Gas Drilling Rigs, SPCC Inclusion
DNR, Division of Mining, Land, & Water (DMLW)	Temporary Water Use Authorization
Alaska Oil and Gas Conservation Commission (AOGCC)	Permit to Drill, Sundry
Kenai Peninsula Borough (KPB)	Right-of-Way Permit Landfill Disposal Authorization

III. LAND STATUS

The Whiskey Gulch project area comprises state and non-state lands.

A. Division's Leased Lands: This section refers to Division managed oil and gas leases regardless of ownership of overlying surface lands.

Oil and Gas Lease ADL: 392666

Oil and Gas Mineral Estate Lessee(s): Hilcorp Alaska, LLC.

Surface Ownership and Access: Private owners; Barbara Lee Kerin, KPB Tax Parcel 16508321

Special Use Lands: N/A

Jointly Managed Lands: N/A

Oil and Gas Lease ADL: 392665

Oil and Gas Mineral Estate Lessee(s): Hilcorp Alaska, LLC.

Surface Ownership and Access: Private owners

Special Use Lands: N/A

Jointly Managed Lands: N/A

IV. PROPOSED OPERATIONS

A. Sequence and Schedule of Events

Project Milestone #	Project Milestone	Proposed Start Date	Proposed End Date
1	Construct Gravel Pad and Improve Access Road	4/1/2021	4/30/2021
2	Drill First Well	5/1/2021	5/31/2021
3	Test First Well	6/1/2021	6/30/2021

4	Suspend and Secure First Well	7/1/2021	7/5/2021
5	Drill Second Well	7/6/2021	8/6/2021
6	Test Second Well	8/7/2021	9/7/2021
7	Suspend and Secure Second Well	9/8/2021	9/15/2021

B. Well Sites

The proposed Whiskey Gulch gravel exploration pad is a 300' x 400' (2.75-acre) gravel pad located on partially improved private surface lands. The access road improvement and pad construction activities will include removal of surface organics and grubbing of the construction footprint, preparation of pad and access road footprint, placement of a geotextile liner on the pad and access road footprint, and placement of approximately 20,000 cubic yards of gravel fill over the liner. Gravel fill will be compacted, and a containment berm will be built around the edge of the pad. One gas/oil exploration well (WG #1) and one gas-only exploration well (WG #14) will be drilled from the pad. WG #1 will be drilled approximately 10,000 feet to the Southeast of Whiskey Gulch Pad, and WG #14 will extend approximately 10,000 feet to the Northeast of Whiskey Gulch Pad.

C. Buildings

This authorization pertains to pad construction and temporary exploration drilling activities only. No permanent facilities are proposed as part of this authorization. All permanent facilities will be permitted separately as needed.

D. Fuel and Hazardous Substances

A diesel fuel storage tank, up to 5,000 gallons, for equipment refueling will be onsite temporarily to support drilling efforts. Fuel storage, handling, transfers, and spill reporting will be conducted in accordance with Hilcorp's Oil Discharge Prevention and Contingency Plan and Spill Prevention Control and Countermeasure Plan. Storage for any production-related hazardous substances will be permitted separately if needed.

E. Solid Waste Sites

Waste will be properly segregated, and containers labeled to ensure proper disposal. Closed-top dumpsters will be onsite for food trash and household waste and will be hauled away from the site regularly to prevent overfilling. Household waste/paper trash will be sent to the Kenai Peninsula Borough Landfill for disposal. Oily waste will be segregated and sent to a specialty waste contractor for offsite disposal. Waste drilling mud and cuttings will be hauled via vacuum truck or supersucker directly from the rig process tank to an offsite, permitted underground injection disposal facility. The only anticipated storage of drilling waste on location would be in the event of an issue at the disposal facility that prevented immediate shipment, in which case Hilcorp would obtain a Temporary Drilling Waste Storage Plan approval from ADEC.

F. Water Supplies

Approximately 100 barrels (bbl) per day of freshwater may be used during drilling activities. Hilcorp has applied for a water well and Temporary Water Use Authorization from the DNR Division of Mining, Land, and Water (DMLW) for up to 3,430 bbl/day. Alternatively, freshwater may be withdrawn from authorized existing water wells at Paxton Pad or other nearby Hilcorp-

operated locations. Additional freshwater may be purchased from commercial sources within the community of Anchor Point, as needed.

G. Utilities

This authorization pertains to pad construction and exploration drilling activities only. No utilities are proposed as part of this authorization.

H. Material Sites

No material sites are planned as part of this project. Clean fill material will be purchased through construction contracts for improvement to the road gravel pad construction.

I. Roads

Access to the pad is provided by existing KPB roadways to the intersection of Cape Ninilchik Avenue and Opportunity Lane. Access roadway improvements over an existing driveway will begin within the KPB ROW at the intersection of Cape Ninilchik Avenue and Opportunity Lane, and extend west to the pad location on private surface lands.

J. Airstrips

No airstrips are planned as part of this project.

K. All Other Facilities and Equipment

A Hilcorp-owned rig will be used for temporary drilling activities. Major components include the following drilling equipment: Drilling rig and pipe, completion rig, mud tanks and mud pumps, boilers, drilling foreman/toolpusher trailer, light plants, generators, cement silo(s), and other miscellaneous equipment that will be onsite temporarily to support drilling efforts. Well testing equipment will be present for approximately 30 days for each well and includes a line heater, separator, flare, and 400-bbl water storage tank.

L. Rehabilitation Plan

All mobile equipment will be removed at the conclusion of the drilling and testing program, and the gravel access road and pad will remain for the use of the private landowner. No specific rehabilitation activities are planned. Gravel placed for the road improvements and pad construction to the eastern portion of Cape Ninilchik Avenue (east of Opportunity lane) will remain in place after the project is completed. No other permanent infrastructure, facilities, or equipment are proposed as part of this authorization. At the end of field life, the gravel pad will be restored or rehabilitated to the satisfaction of the private landowner and any applicable agencies and/or stakeholders in compliance with applicable laws and regulations. All wells will be appropriately plugged and abandoned in compliance with AOGCC requirements and general industry best practices. Apart from permanent access road and pad construction, no impact to vegetation, habitat, wildlife, or resources is anticipated. Any inadvertent impacts will be rehabilitated to the satisfaction of the private landowner and any applicable laws and regulations.

M. Operating Procedures Designed to Minimize Adverse Effects

Because the project intends to utilize existing access roads on private surface lands, in conjunction with road construction within an existing KPB ROW, no fish or wildlife habitats are anticipated to be impacted. All project activities will occur in accordance with any laws, regulations, and

stipulations issued to Hilcorp, as well as all Hilcorp Wildlife Interaction plans, Procedures, and Best Management Practices.

Historic and Archeological Sites: Hilcorp contracted Charles M. Mobley & Associates to conduct an archaeological field study of the proposed project area in October 2020. Mobley detailed his methods, findings, and determination of project impacts in “Archeological Survey for Hilcorp Alaska LLC’s Whiskey Gulch Pad and Road, Anchor Point, Alaska, 2020.” A copy of the report will be provided to ADNR’s Office of History and Archaeology. In the document, Mobley concluded that “No cultural properties eligible to the National Register of Historic Places were known in the Whiskey Gulch APE prior to this investigation, and none were observed or otherwise learned about during the investigation.” If cultural resources are encountered, the private landowner and the State Historical Preservation Office will be contacted immediately.

Public Use Areas: Public use areas will not be impacted by the proposed project, as this project occurs on private lands. While public access to Whiskey Gulch Pad will be restricted for to ensure public safety, other areas around the pad will not be restricted.

Other Uses: No other uses are anticipated to be impacted during operations.

In approving a Plan, DNR may require amendments necessary to protect the State’s interest (11 AAC 83.346(e)). The Division has determined that to protect the State’s interest, it is necessary to incorporate into the Plan the Cook Inlet Areawide Mitigation Measures.

All plan applicants must complete a mitigation measure analysis demonstrating that each mitigation measure is satisfied or inapplicable to the proposed Plan, or that the applicant is seeking an exception. The Cook Inlet Mitigation Measures allow for the Division to grant an exception if the applicant shows that compliance with the measure is not practicable or that the applicant will undertake an equal or better alternative to satisfy the intent of the mitigation measure. Hilcorp completed the mitigation measure analysis for the 2018 Areawide Cook Inlet Mitigation Measures and has not requested an exception.

N. Phased Evaluation

This Plan begins Hilcorp’s exploration phase of ADL 392665 and ADL 32666. The Plan addresses the drilling of the WG #1 and WG #14 wells, and the construction of a gravel exploration pad. In considering the exploration phase, the Division evaluated both the specific activities proposed under this Plan as well as typical additional exploration activities that Hilcorp might propose for further development in the lease area.

The Division considered the potential impacts of these activities on public and State interests. In the oil and gas context, the public interest includes maximizing economic and physical recovery of oil and gas resources (AS 38.05.180(a)(1)). The State has an interest in protecting the public interest, and in encouraging assessment of oil and gas resources while minimizing the adverse impacts of exploration, development, production, and transportation activities (AS 38.05.180(a)(2)).

In evaluating potential impacts, the Division also considered the operating procedures Hilcorp has designed to minimize adverse effects of the Plan activities. These operating procedures include

complying with the mitigation measures attached to the leases. These measures come from the Cook Inlet Areawide Best Interest Finding (BIF) to address potentially negative effects of oil and gas exploration on fish and wildlife species, habitats and their uses, subsistence uses, and on local communities. Hilcorp has provided a mitigation measure analysis as part of their Plan of Operations application.

i. Facilities Impacts on the Project Area

The Whiskey Gulch pad will be constructed as close to the eastern extent of the parcel as is practicable, while avoiding wetlands and environmentally sensitive areas, to maximize the distance between the exploration pad and adjacent landowners to the west. Trees and brush will be kept in place to the maximum extent possible to minimize potential visual and acoustic impacts on neighboring landowners and residential areas. Except where safety concerns dictate otherwise, lights on the drill rig and mobile light plants will be pointed down toward activities occurring on the pad. Impacts from pad and road construction, as well as drilling, will be temporary. All temporary facilities will be removed upon completion of exploration activities, and the wells will be plugged and abandoned, or suspended, according to AOGCC regulations.

Fuel and Hazardous Substances Potential Impacts on the Project Area

The Whiskey Gulch project will include construction, drilling, and testing activities. Discharges of drilling muds, cuttings, and produced waters; oil spills; and accidental spills of fuel, lubricants, or chemicals could all have impacts to water, wildlife, and habitats during this project. An 18-inch berm around the perimeter of the pad will serve as tertiary containment for the pad and will be maintained free of debris in order to reduce potential impacts from drilling or testing activities that could result in a liquid release.

Oil Spill Prevention and Response Training

Hilcorp will provide its employees and contractors with spill prevention and response training prior to Whiskey Gulch construction and drilling activities. Additionally, Hilcorp will report any spills with all appropriate agencies and stakeholders involved in the project. The Cook Inlet Mitigation Measures include development of oil spill contingency plans and providing adequate spill response training.

Cook Inlet mitigation measures require that sites be protected from leaking or dripping fuel and hazardous substances; secondary containment be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers; containers be marked with the contents and lessee/contractor name; waste from operations be reduced, reused, or recycled to the maximum extent practicable; muds and cuttings be disposed of by underground injection, where practicable; and proper disposal of garbage and putrescible waste be utilized.

Hilcorp's mitigation measure analysis states that fuel and hazardous substances will be stored within impermeable secondary containment and at least 100 feet from any water body. Surface liners will be used under all potential spill points and Hilcorp will follow procedures to place duck ponds or bermed liners beneath connections during fuel transfers. All containers with fuel or hazardous

substances will be labeled as required. All wastes generated as part of operations will be hauled off site for disposal at an approved facility.

ii. Habitat, Fish, Wildlife and Subsistence

Any exploration activity could impact habitat, fish, and wildlife. The Cook Inlet Mitigation Measures are designed to minimize these impacts. Hilcorp has selected the private parcel and pad location for this project specifically to further reduce potential impacts to wetlands and any adjacent anadromous waterbodies. The proposed access road improvements and gravel pad construction will be located on uplands, and will utilize previously disturbed roadways and gravel extraction areas wherever possible.

Fish

The Cook Inlet Mitigation Measures require that sites be located at least 500 feet from all fish-bearing water bodies. The Whiskey Gulch pad satisfies this requirement, situated approximately 2,000 feet from the closest anadromous stream.

Wildlife

Hilcorp has a Wildlife Interaction and Avoidance Plan in place and will use best management practices to minimize possible attractants for bears and other wildlife. The Environmental, Health, & Safety training plans will be provided to site workers to limit wildlife interactions. There are several regulations imposed by state, federal, and local agencies that are implemented to avoid, minimize, and mitigate these potential effects to bears. In addition to complying with the Endangered Species Act and the Marine Mammal Protection Act, Hilcorp must comply with the Cook Inlet Mitigation Measures to minimize effects of exploration activities on bears.

Subsistence

Traditional subsistence uses in the area include: land mammals, non-migratory game birds, freshwater and anadromous fish, shellfish and hunting and trapping of furbearers. Hilcorp's project is located on private land and is not anticipated to impact subsistence or other fish and wildlife uses. Exploration activities that could affect subsistence uses in the area include discharges from well drilling and ongoing disturbances from operation activities, such as vehicle traffic. Noise, traffic disturbance, and potential spills generally produce short-term impacts on subsistence species. The Cook Inlet Mitigation Measures are intended to reduce conflicts with subsistence, commercial, and sport harvest activities. Hilcorp must make reasonable efforts to ensure that the proposed exploration activities are compatible with subsistence hunting and fishing and will not result in unreasonable interference with subsistence harvests. The Division may implement restrictions, as appropriate, to reduce potential conflicts.

Historic or Archeological sites

Hilcorp contracted an independent third party to conduct an archaeological field study of the proposed project area in October 2020. The study concluded that "No cultural properties eligible to the National Register of Historic Places were known in the Whiskey Gulch area prior to this investigation, and none were observed or otherwise learned about during the investigation." If any cultural resources are encountered, the State Historic Preservation Office will be contacted immediately.

V. CONSIDERATION OF LEASE PLAN OF OPERATIONS REQUIREMENTS UNDER 11 AAC 83.346(c-d) and 11 AAC 83.160

A. Full Payment of Damages to the Surface Owner under 11 AAC 83.158(c)

The proposed Whiskey Gulch Pad is located on private surface lands. Hilcorp has secured an access agreement that satisfactorily protects the surface owner and has provided for full payment of damages prior to starting operations.

B. Plan Sufficiency

A proposed plan must include statements, maps, or drawings setting forth:

- (1) the sequence and schedule of operations;
- (2) the projected use requirements directly associated with the proposed operations;
- (3) plans for rehabilitation; and
- (4) a description of operating procedures to prevent or minimize adverse effects on natural resources and concurrent uses of the area (11 AAC 83.346(d)).

The information in Section IV. Proposed Operations, and additional information contained in the proposed Plan satisfy the requirements for a plan under 11 AAC 83.158(d) and thus provide the Division with sufficient information available at this time to determine the surface use requirements and impacts directly associated with the proposed operations.

C. Oil and Gas Lease Bond

Operations will be conducted on private and State-owned lands. The proposed exploration wells will be drilled into state-owned mineral estate. For the State, a lessee provides for payment of damages by posting a bond, and remains liable for full damages under the lease. Hilcorp has a Statewide Oil and Gas Bond in the amount of \$500,000 for operations on ADL 392665 and ADL 392666 and continuing liability under these leases.

VI. CONSULTATION WITH OTHER GOVERNMENT ENTITIES

In reviewing the proposed Plan, the Division considered the fact that Hilcorp may require approvals from other agencies for other elements of its project. Although mentioned in the Plan and above, these aspects of the project are not operations being approved by this decision and the Division offers no opinion on whether an agency should or should not approve these activities.

In addition to considering the approvals required by other agencies as they relate to this decision, the Division provided an agency review and comment opportunity for the activities proposed for authorization under this decision. The following government entities were notified on January 1, 2021, for comment on the Plan: ADEC, Alaska Department of Fish & Game (ADF&G), DMLW, US Army Corps of Engineers (USACE), Kenai Peninsula Borough (KPB), and US Fish and Wildlife Service (USFWS). The comment deadline was 4:30 pm Alaska time on January 29, 2021. No comments were received.

VII. PUBLIC NOTICE

Public notice of the Plan and opportunity to comment, per AS 38.05.035, was published in the Anchorage Daily News and the Peninsula Clarion on February 9, 2021, with a comment deadline of

March 4, at 4:30 pm Alaska time. Public notice was also published to the DNR website, and State of Alaska online public notice website. Comments were received and considered by the Division. The Division has grouped these comments by substantive issues, and has provided responses to the issues that are actionable and consistent with the authorities of the Division within the scope of this decision. These responses are summarized in Appendix B.

VIII. CONDITIONS OF APPROVAL

Having considered the proposed project, the Division approves the Plan as amended and modified by this decision and subject to the below conditions of approval.

To protect the State's interest, the Division finds that it is necessary to amend the Plan to incorporate the following Conditions of Approval:

- a) The applicant shall defend, indemnify, and hold the State of Alaska harmless from and against any and all claims, damages, suits, losses, liabilities and expenses for injury to or death of persons and damage to or loss of property arising out of or in connection with the entry on and use of State lands authorized under this approval by the applicant, its contractors, subcontractors and their employees.
- b) The applicant shall inform and ensure compliance with any and all conditions of this approval by its employees, agents and contractors, including subcontractors at any level.
- c) Unless pre-authorized by a general permit, amendments and modifications to this approval require advance notice and must be approved in writing by the DNR.
- d) The Commissioner of the DNR may require that an authorized representative be on site during any operations conducted under this approval. This stipulation is required to ensure that the Division of Oil and Gas meets its statutory responsibilities for monitoring activities taking place on State-owned lands.
- e) A status report for the activities conducted under this approval must be filed with this office on May 1 and November 1 each year, from the date this approval is issued and until a final completion report is filed with the Division. If a lessee requests an assignment, then a status report must also be submitted during the assignment process. Failure to file in a timely manner may result in revocation of this approval.
 - a. Each status report shall include a statement describing and map(s) depicting all operations actually conducted on the leased area as of the date the report is prepared, which includes the location, design and completion status of well sites, material sites, water supplies, solid waste sites, buildings, roads, utilities, airstrips, and all other facilities and equipment installed.
 - b. Upon completion of operations, the applicant will submit a completion report that will include all information required of a status report described in (a) above as well as a statement indicating the date of operations completion, any noncompliance with the terms of this plan approval of which a reasonable lessee would have knowledge of, clean-up activities conducted, the method of debris disposal, and a narrative description of known incidents of surface damage.
- f) Notification. The applicant shall notify the DNR of all spills that must be reported under 18 AAC 75.300 under timelines of 18 AAC 75.300. All fires and explosions must be reported to DNR immediately. The Department of Environmental Conservation (DEC) oil spill report number is (800) 478-9300. DNR and DEC shall be supplied with all follow-up incident reports.

- g) A certified As-Built survey of the improvement shall be provided within one year of placement of the improvement. As-Built must contain a hard copy, as well as a digital GIS file containing a Shapefile or Esri Feature Class.

IX. FINDINGS AND DECISION

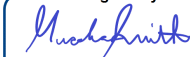
Having considered the proposed project and based on the foregoing discussion and consideration of issues and conditions of approval, the Division makes the following findings:

1. The Plan provides sufficient information, based on reasonably available data, for the Division to determine the surface use requirements and impacts directly associated with the proposed operations.
2. The Plan includes statements, maps, or drawings setting forth the sequence and schedule of operations, projected use requirements, description of operating procedures, and a plan of rehabilitation designed to prevent or minimize adverse effects.
3. To protect the State's interest and mitigate potential adverse social and environmental effects associated with the Plan, the Division finds it necessary to amend the Plan to incorporate the mitigation measures set forth in the Cook Inlet Areawide Oil and Gas Lease Sale Final Finding.
4. All oil and gas activities conducted under oil and gas leases are subject to numerous local, state, and federal laws and regulations with which Hilcorp is expected to comply.
5. The people of Alaska have an interest in developing the state's oil and gas resources and maximizing the economic and physical recovery of those resources. AS 38.05.180(a).
6. Alaska's economy depends heavily on revenues related to oil and gas production and government spending resulting from those revenues. The related revenue sources include bonus payments, rentals, royalties, production taxes, income taxes, and oil and gas property taxes.
7. The potential benefits of approving this Plan outweigh the possible adverse effects, which have been minimized through imposition of mitigation measures, conditions of approval, and project specific stipulations, and thus approval of this Plan as modified is in the State's best interest.

Based upon the Plan, supporting information provided by the applicant and the Division's review, determination of applicable statutes and regulations, consultation with other agencies, relevant entities and individuals, public comment, and the above findings related to that Plan, the Division hereby approves the Plan.

Sincerely,

DocuSigned by:



2646043C6317495...

Graham Smith

Permitting Section Manager

Division of Oil and Gas

3/19/2021

Date

ecc: DNR: Graham Smith, James Hyun, Ashley Ethridge, Alex Zinck, Jacob Rowland, SPCO
Records, Clifford Larson
ADF&G: Brian Blossom
ADEC: Gary Mendivil, DEC Oil and Gas
USACE: Kenai Peninsula Regulatory Field Office
USFWS: Conservation Planning Assistance Branch
KPB: Marcus Mueller

Attachments:

Appendix A, Figures 1-4

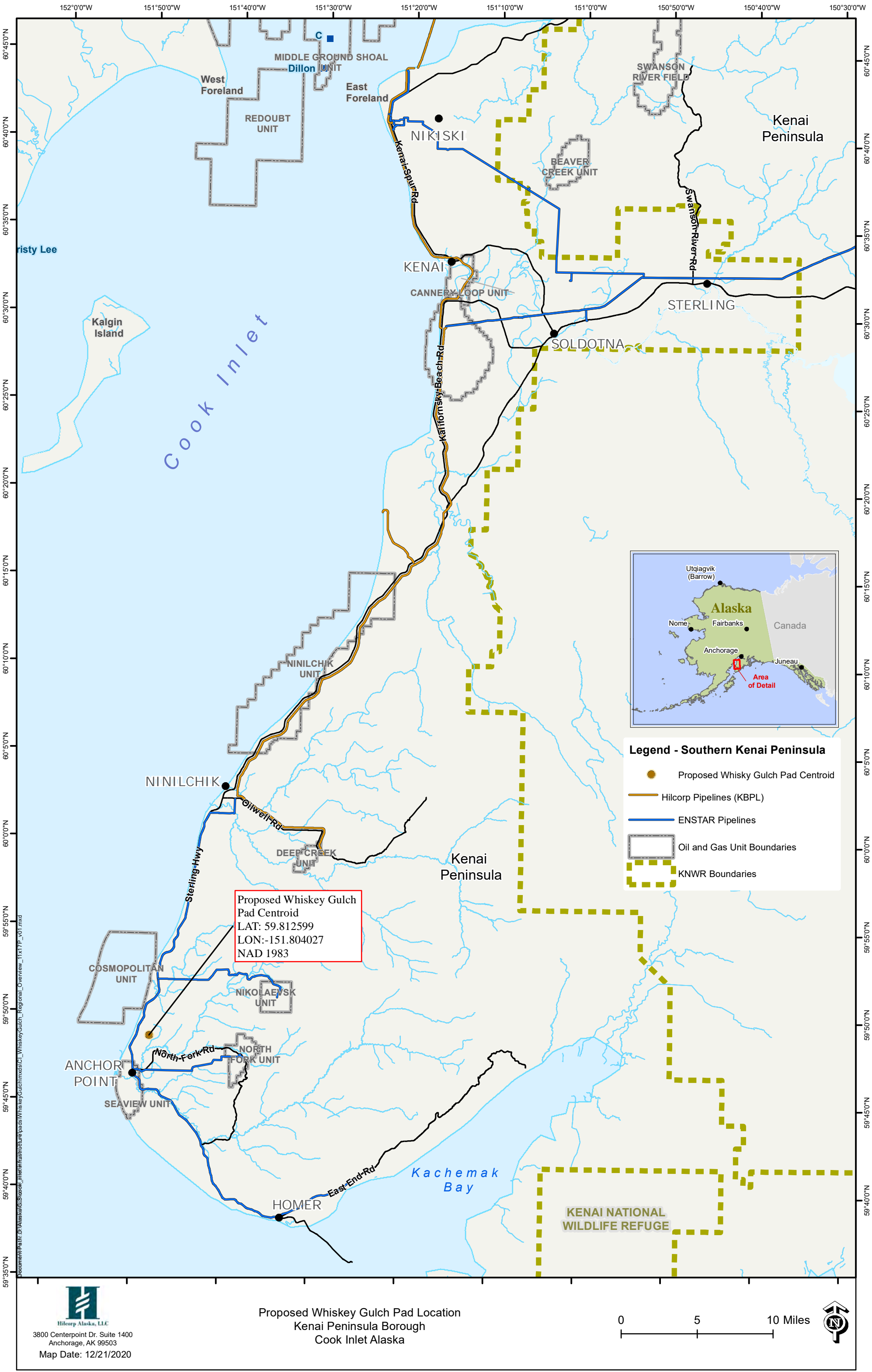
Appendix B, Public Comments

Appeal

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b).

This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Appendix A: Figures

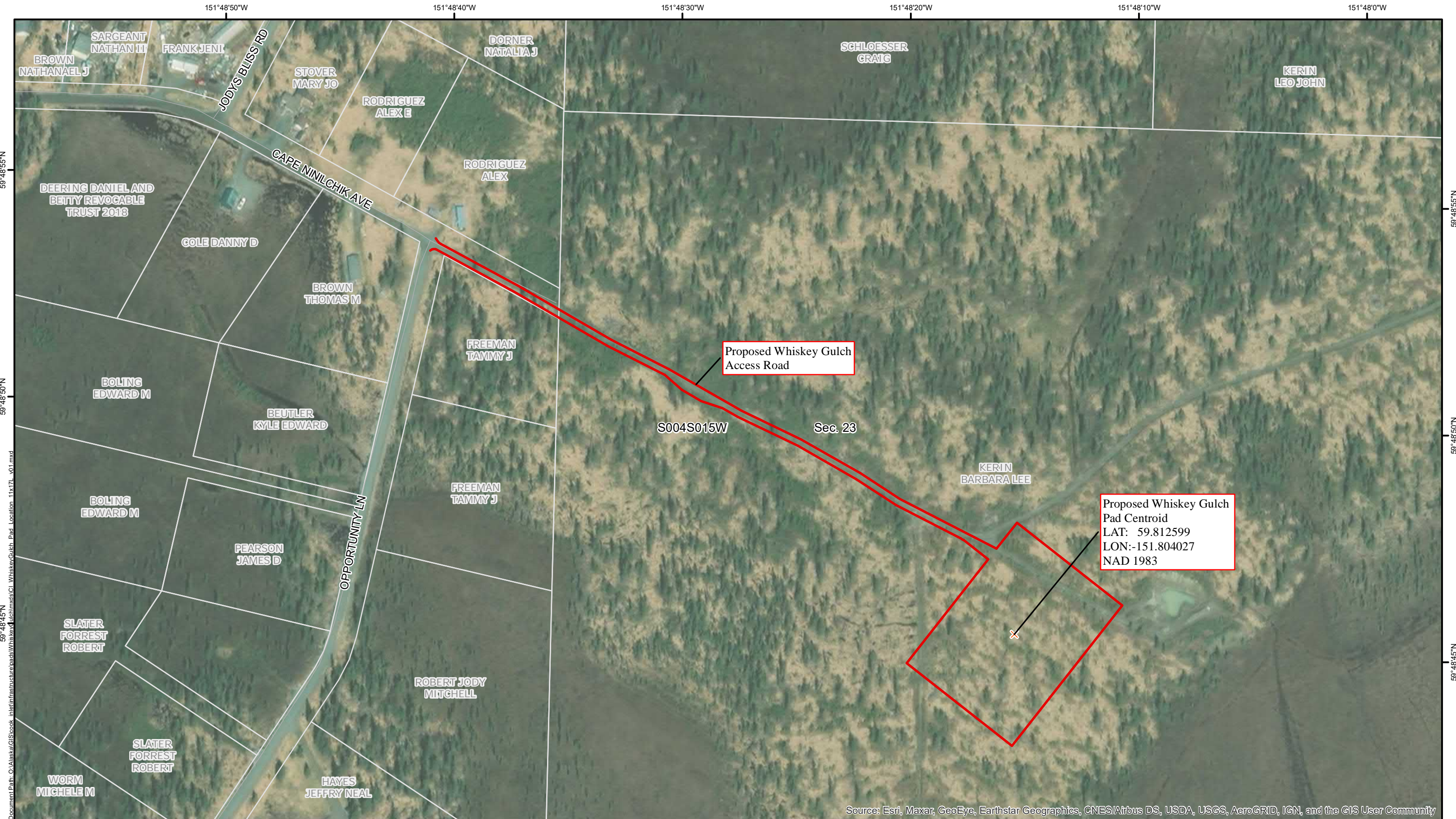


3800 Centerpoint Dr. Suite 1400
Anchorage, AK 99503
Map Date: 12/21/2020

Proposed Whiskey Gulch Pad Location
Kenai Peninsula Borough
Cook Inlet Alaska

0 5 10 Miles





Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



3800 Centerpoint Dr. Ste. 1400
Anchorage, AK 99503
Map Date: 12/21/2020

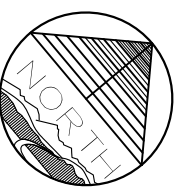
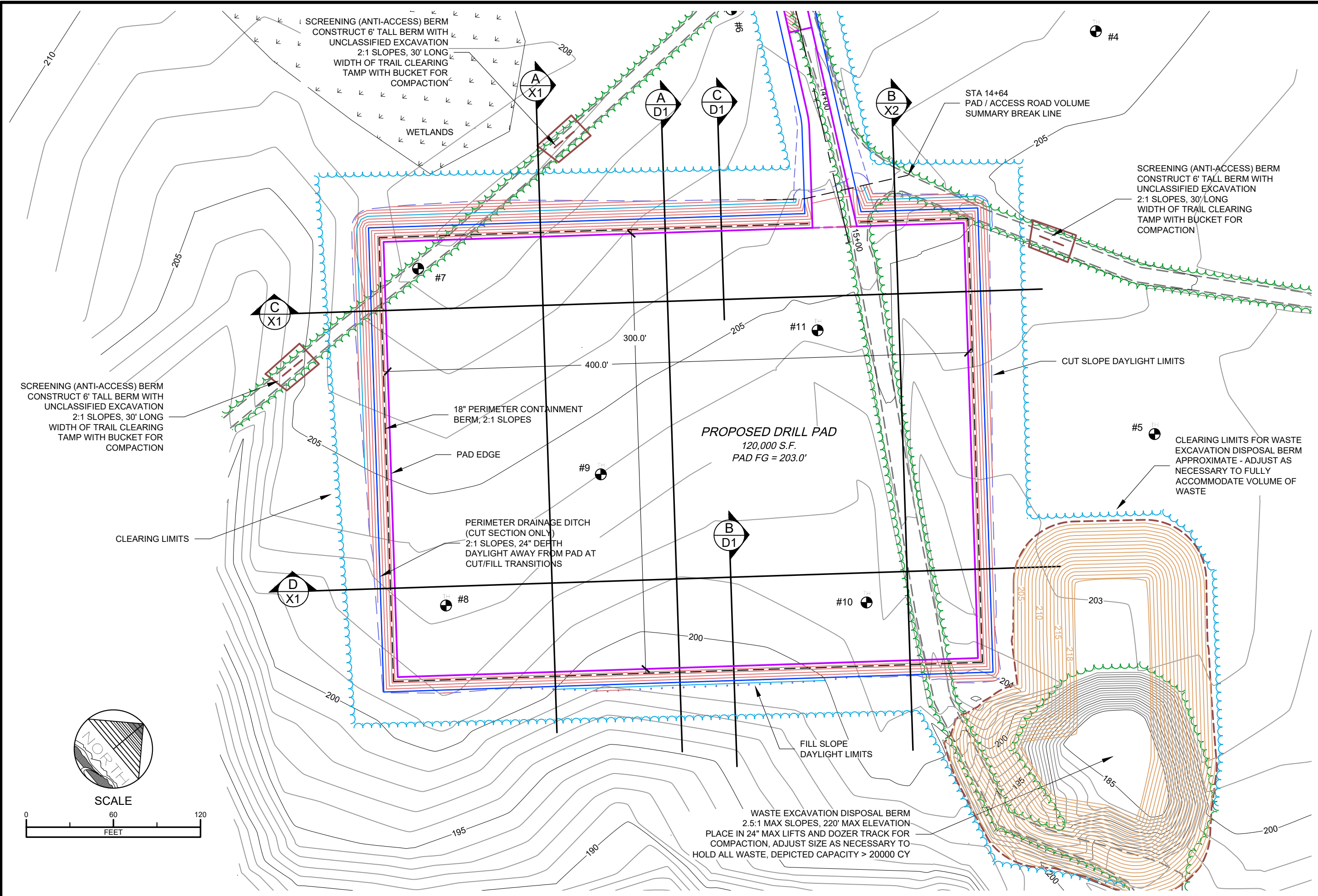
Proposed Whiskey Gulch Access Road and Pad

- Proposed Whiskey Gulch Access Road and Pad
(McLane Consulting Inc - 12/21/2020)
- KPB Parcels (Surface Ownership)

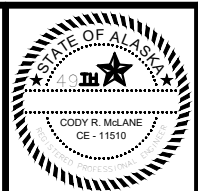
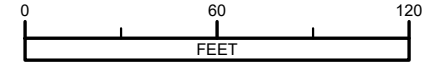
1 inch = 200 feet @ 11x17 page size

0 50 100 150 200 feet





SCALE



REV	DATE	DESCRIPTION	BY	CRM

HILCORP ALASKA LLC

WHISKEY GULCH PAD

DRILL PAD PLAN VIEW

Hilcorp Alaska, LLC

NOV 2020

FIELD WORK DATE:

207025

JOB NO.

12/21/2020

DATE

CRM

BY

12/21/2020

DATE

CRM

BY



Consulting Inc

ENGINEERING - TESTING
SURVEYING - MAPPING
P.O. BOX 468
SOLDOTNA, AK. 99669
VOICE: (907) 283-4218
FAX: (907) 283-3265
WWW.MCLANECG.COM

DRAWN BY:	CRM
CHECKED BY:	CRM
HORZ. SCALE:	1" = 60'
VERT. SCALE:	N/A
SHEET:	P1

Appendix B: Public Comments

Comment issue: Public engagement, and proximity of proposed development to residential areas and use of existing roadways.

Applicant Response:

We will ensure to monitor road conditions throughout the construction and drilling operations. If repairs are needed, we will coordinate with local DOT to ensure that road conditions remain safe and passable. Local contractors will be utilized to do any necessary road work. We will also do our best to make sure if road work is needed that regular traffic patterns will see minimal disruption. While our primary focus will be on safety, crews will be doing everything they can to minimize the impact of our activity.

Division Response:

The Division evaluated the Plan pursuant to 11 AAC 83.158 and criteria within the 2018 Cook Inlet Areawide Final Finding. Mitigation Measure A.1.c states that *“Facilities will be designed and operated to minimize sight and sound impacts in areas of high residential, recreational, and subsistence use and important wildlife habitat.”* The proposed pad is located as far to the east of existing residential areas as is practicable while maintaining an adequate distance from wetlands and anadromous waterbodies. Construction activities will be limited to daytime hours, and efforts will be made to limit potential visual and acoustic impacts on residential areas. The Division finds that Hilcorp has shown rationale that equally satisfies the intent of this mitigation measure.

Comment issue: Freshwater sources and use.

Applicant Response:

- Fresh water will be used for Drilling mud make-up (water-based muds).
- Our primary option will be to authorize and install a new water well at the Whiskey Gulch Pad.
- Our secondary option would be to haul from a Hilcorp-owned and operated water well with existing water use authorizations.
- Our tertiary option would be to purchase water from a commercial water source near Anchor Point.

Division Response:

Primary and secondary freshwater sources will be a new water well located at the proposed pad and a previously authorized well already existing at a Hilcorp facility in the region. Sourcing necessary freshwater at the proposed pad will minimize industrial traffic for water hauling operations. A commercial water provider in the Anchor Point area will be used as an alternative source of freshwater only if necessary.

Comment issue: Proximity to wetlands.

Division Response:

The Division evaluated the proposed Plan pursuant to 11 AAC 83.158 and criteria within the 2018 Cook Inlet Areawide Final Finding. ADEC under AS 46.04.030(e) determines the terms and conditions necessary to ensure that the oil discharge prevention and contingency plans meet applicable requirements to mitigate potential oil discharges to the environment. An applicant must obtain a Permit to Drill from AOGCC prior to drilling a well for oil or gas in Alaska, pursuant to 20 AAC 25.005. Surface casing and well integrity issues are addressed

under the AOGCC regulations at 20 AAC 25.030 and 20 AAC 25.033 to prevent contamination of freshwater. The Division finds that Hilcorp has shown rationale that equally satisfies the intent of this mitigation measure.